

# FY17/12 Q3 PRESENTATION

RENESAS ELECTRONICS CORPORATION  
NOVEMBER 2, 2017

BIG IDEAS  
FOR EVERY SPACE

# GROWTH AND EARNINGS TARGETS TO MAXIMIZE SHAREHOLDER VALUE

## Long-Term Financial Targets\*1

### Top-line growth

**2x** SAM\*2 Growth Rate

### Margin Improvements

GM \*3 : **44%\*5** → **50%**  
OM \*4 : **12%\*5** → **Over 20%**

## Clear Path for Gross Margin Expansion

**Top-line Growth**  
(Including cost reduction)

**Better Product Mix**

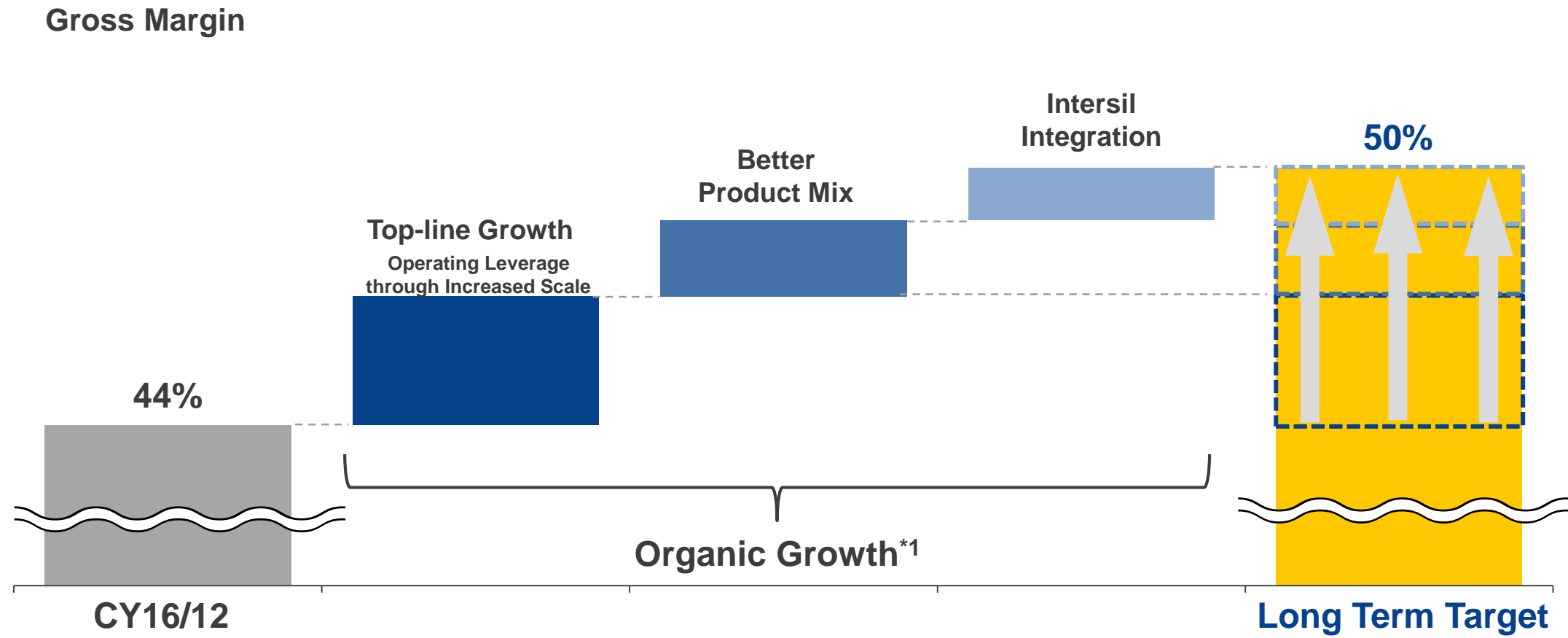
**Intersil Integration**



**Further Acquisitions**

\*1: Long-term targets reflect non-GAAP adjustments to exclude amortization of goodwill and intangible assets, noncash expenses such as stock compensation expenses and one-time expenses. \*2: Served Available Market comprised of total semiconductor market excluding DRAM, flash memory, microprocessors and non-optical sensors \*3: Gross Margin \*4: Operating Margin \*5: Calculated on a calendar-year basis (Jan-Dec 2016) by adding FY2016/3 Q4 (3 months) and FY2016/12 (9 months) results based on Non-GAAP basis.

# CLEAR PATH TO GROSS MARGIN IMPROVEMENT



\*1: Including Intersil acquisition

Organic

Inorganic

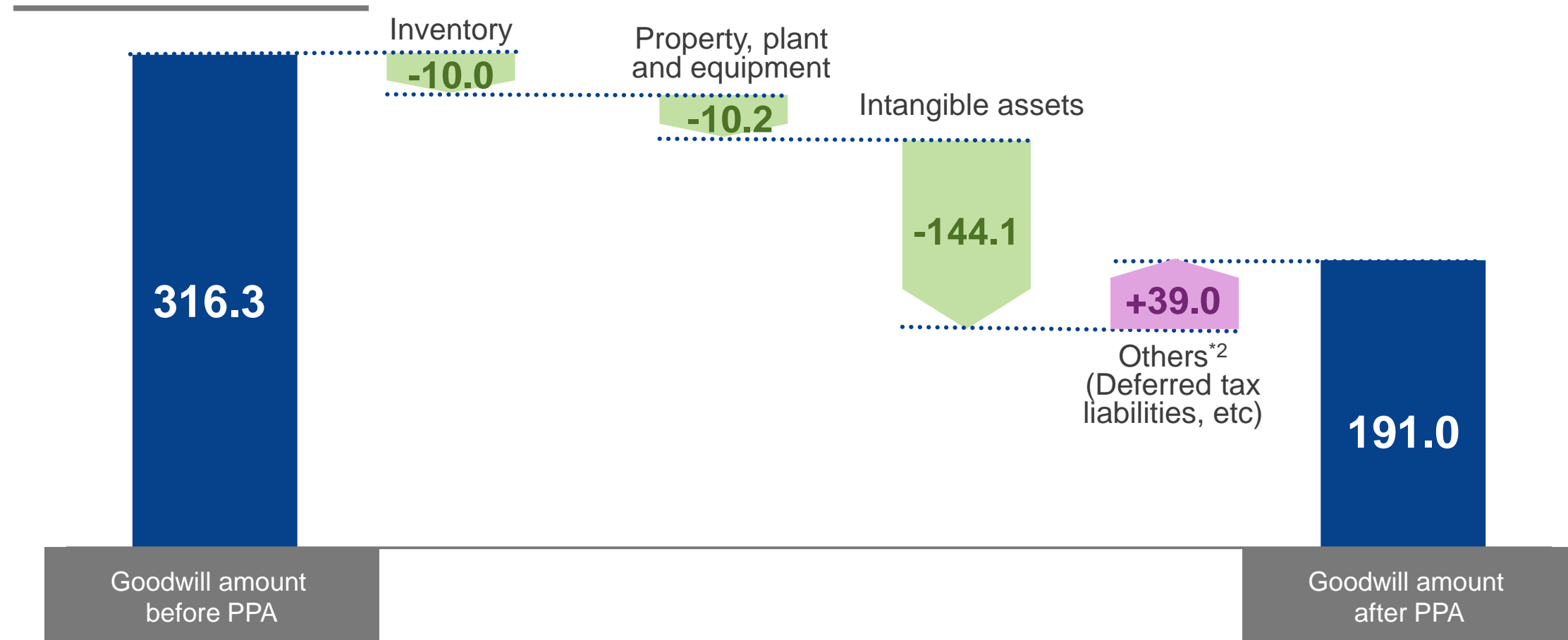
# COMBINATION OF ORGANIC AND INORGANIC GROWTH

	Automotive	Industrial	Broad-Based
MCUs	 Intensive R&D		Inorganic + Organic Approaches
SoCs	 Strategic Partnerships and Alliances 		
Analog & Mixed Signal	Strategic Investment including Further Acquisitions		 (Acquired for \$ 3.2B in Feb 2017)
Power Discrete	Selective Investment		

# PPA (PURCHASE PRICE ALLOCATION) EFFECTS\*1

## IN BALANCE SHEETS (AS OF FEBRUARY 28, 2017)

(B yen)



\*1: The allocation of the acquisition costs for the business combinations with Intersil Corporation, which Renesas acquired on February 24, 2017, has been revised at the end of the third quarter ended September 2017. The revised allocation of the acquisition costs are reflected in the figures of FY2017/12.

\*2: "Others" are currently under evaluation and are subject to change.

# PPA EFFECTS\*<sup>1</sup> IN PROFIT AND LOSS STATEMENT (GAAP)

(B yen)	FY2017/12			
	Q1	Q2	Q3	Q3 Cumulative
Net Sales (Before PPA)	177.6	198.1	195.5	571.3
PPA Effects (Net Sales)	-0.4	-0.8	+0	-1.2
Net Sales (After PPA)	177.2	197.3	195.5	570.1
Gross Profit (GAAP/Before PPA)	80.8	90.5	93.3	264.5
PPA Effects (Net Sales/COGS* <sup>2</sup> )	-3.1	-8.7	-0.4	-12.1
Gross Profit (GAAP/After PPA)	77.7	81.8	92.9	252.4
Gross Margin (GAAP/After PPA) (%)	43.8%	41.4%	47.5%	44.3%
Operating Profit (GAAP/Before PPA)	25.5	18.8	26.1	70.4
PPA Effects (Net Sales/COGS)	-3.1	-8.7	-0.4	-12.1
PPA Effects (SG & A) Increase in amortization of goodwill and purchased intangible assets	-0.3	-0.6	-0.7	-1.7
PPA Effects (SG & A) Increase in depreciation amounts of fixed assets, etc	-0	-0.2	-0.1	-0.3
Operating Profit (GAAP/After PPA)	22.1	9.3	24.9	56.3
Operating Margin (GAAP/After PPA) (%)	12.5%	4.7%	12.7%	9.9%

\*1: The allocation of the acquisition costs for the business combinations with Intersil Corporation, which Renesas acquired on February 24, 2017, has been revised at the end of the third quarter ended September 2017. The revised allocation of the acquisition costs are reflected in the figures of FY2017/12.

\*2: Cost of goods sold

\*3: Selling, general and administrative expenses

# NON-GAAP BASIS INFORMATION

The figures in this section are mainly based on Non-GAAP (Generally Accepted Accounting Principles) stated on a financial reporting basis and are provided as additional information.

The Group Implemented a change in fiscal term starting from FY16/12 in which the fiscal year-end changed from March 31 to December 31. In this presentation, FY17/12 Q3 (Jul-Sep 2017) results are compared with FY16/12 Q2 (Jul-Sep 2016) as an YoY comparison.

The Group reports its consolidated forecast on a quarterly basis (cumulative quarter total) as a substitute for a yearly forecast.

# REVISED GAAP/NON-GAAP RECONCILIATION (FY17/12)

- Non-GAAP Basis: Results excluding non-recurring and certain other items. Starting from FY2017 ending December 2017, the Non-GAAP basis excludes amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering and PPA (purchase price allocation) effects following the Intersil acquisition.
- PPA effects include market valuations of inventories and fixed assets, etc.

(B yen)	FY2017/12			
	Q1	Q2	Q3	Q4 (Forecast)
Net Sales (After PPA)	177.2	197.3	195.5	200.9
PPA Effects (Net Sales)	+0.4	+0.8	-0	-
Net Sales (Non-GAAP)	177.6	198.1	195.5	200.9
Gross Margin (GAAP/After PPA)	77.7	81.8	92.9	92.5
PPA Effects (Net Sales/COGS)	+3.1	+8.7	+0.4	+0.5
Stock-Based Compensation (COGS)	+0	+0	+0	+0
Gross Profit (Non-GAAP)	80.8	90.5	93.3	93.0
Gross Margin (Non-GAAP) (%)	45.5%	45.7%	47.7%	46.3%

\*1:Cost of goods sold



# GAAP/NON-GAAP<sup>\*1</sup> RECONCILIATION (FY17/12)

(B yen)	FY2017/12			
	Q1	Q2	Q3	Q4 (Forecast)
Operating Profit (GAAP/After PPA)	22.1	9.3	24.9	14.7
PPA Effects <sup>*2</sup> (Net Sales/COGS <sup>*3</sup> )	+3.1	+8.7	+0.4	+0.5
PPA Effects (SG&A <sup>*4</sup> ) Increase in depreciation of fixed assets, etc	+0	+0.2	+0.1	+0.2
Stock-Based Compensation (COGS)	+0	+0	+0	+0
Amortization of Goodwill (SG&A)	+1.8	+5.2	+5.2	+5.2
Costs Related to the Acquisition of Intersil (SG&A)	+0.5	+0.4	+0.4	+0.4
Costs Related to the Acquisition of Intersil (R&D <sup>*5</sup> )	-	-	-	-
Amortization of Purchased Intangible Assets (SG&A)	+1.5	+4.4	+4.4	+4.3
Stock-Based Compensation (R&D)	+0	+0.3	+0.2	+0.2
Stock-Based Compensation (SG&A)	+0.1	+0.4	+0.4	+0.5
Costs Related to the Offering (SG&A)	-	+0.2	+0	-
Operating Profit (Non-GAAP)	29.1	29.0	35.9	25.9
Operating Margin (Non-GAAP) (%)	16.4%	14.6%	18.4%	12.9%

<sup>\*1</sup>: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering and PPA (purchase price allocation) effects following the Intersil acquisition. (Reference: The impact on the operating income from the inventory buildup in Q3 FY2017 was negative 0.3 B yen.)

<sup>\*2</sup>: PPA effects include market valuations of inventories and fixed assets.

<sup>\*3</sup>: Cost of goods sold

<sup>\*4</sup>: Selling, general and administrative expenses

<sup>\*5</sup>: Research & development expenses

# FY17/12 Q3 FINANCIAL SNAPSHOT (NON-GAAP BASIS\*1)

YoY and QoQ results as well as the changes from July 28 FCT of the Net Sales and Semi Sales are rounded off to one decimal place.

(B yen)	CY16		CY17 (FY17/12)							
	Jul-Sep	9 Months Cumulative (Jan-Sep)	Apr-Jun (Q2)	Jul-Sep (Q3) Forecast	Jul-Sep (Q3) Actual	YoY	QoQ	Change from Jul 28 FCT	9 Months Cumulative Actual	YoY
Net Sales	152.6	472.4	198.1	195.2	195.5	+28.1%	-1.3%	+0.1%	571.3	+20.9%
Semi Sales	148.3	459.1	194.3	191.9	192.3	+29.6%	-1.1%	+0.2%	559.2	+21.8%
Gross Margin	42.5%	42.9%	45.7%	45.5%	47.7%	+5.2pts	+2.1pts	+2.3pts	46.3%	+3.4pts
Operating Income (Margin)	16.6 (10.8%)	55.2 (11.7%)	29.0 (14.6%)	30.5 (15.6%)	35.9 (18.4%)	+19.4 (+7.5pts)	+6.9 (+3.7pts)	+5.4 (+2.8pts)	94.0 (16.5%)	+38.8 (+4.8pts)
Net Income Attributable to Shareholders of Parent Company	11.4	36.1	37.3	29.9	32.7	+21.2	-4.7	+2.7	93.5	+57.5
EBITDA*2	31.5	100.2	47.5	49.5	55.0	+23.6	+7.5	+5.4	148.6	+48.4
1 US\$=	104 yen	111 yen	111 yen	110 yen	111 yen	7 yen depreciation	-	1 yen depreciation	112 yen	1 yen depreciation
1 Euro=	116 yen	123 yen	122 yen	125 yen	130 yen	15 yen depreciation	8 yen depreciation	5 yen depreciation	125 yen	1 yen depreciation

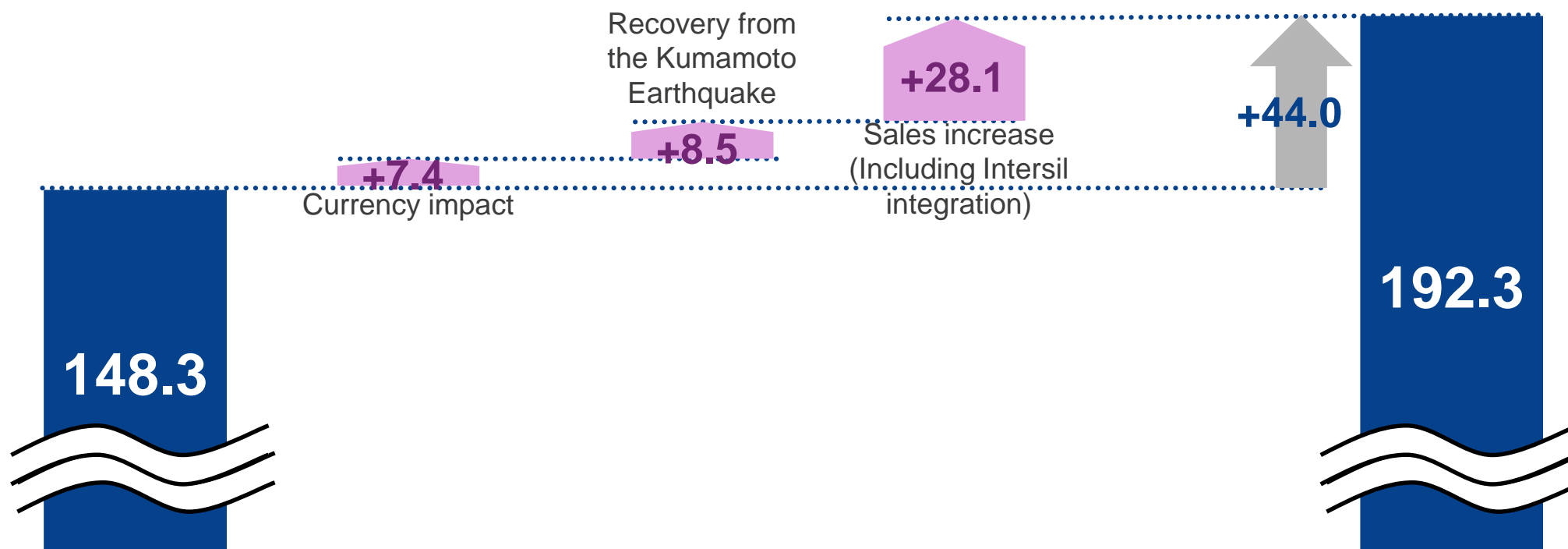
\*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering and PPA (purchase price allocation) effects following the Intersil acquisition. (Reference: The impact on the operating income from the inventory buildup in Q3 FY2017 was negative 0.3 B yen.)

\*2: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses

# FY17/12 Q3 SEMICONDUCTOR SALES (NON-GAAP BASIS\*1)

**YoY + 44.0 B yen (+29.6%)**

(B yen)



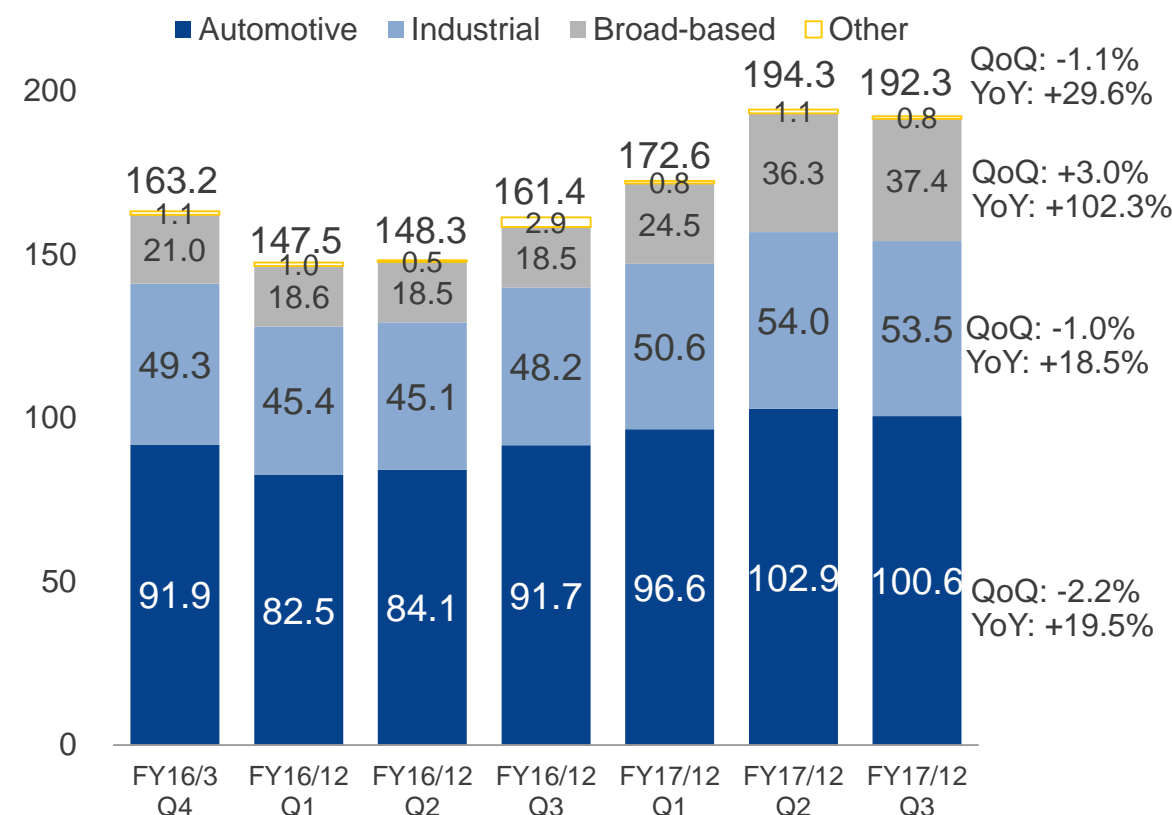
\*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering and PPA (purchase price allocation) effects following the Intersil acquisition. (Reference: The impact of inventory buildup in Q3 FY2017 was -0.3 B yen in operating income.)

# QUARTERLY SEMICONDUCTOR SALES TRENDS

(NON-GAAP BASIS\*1)

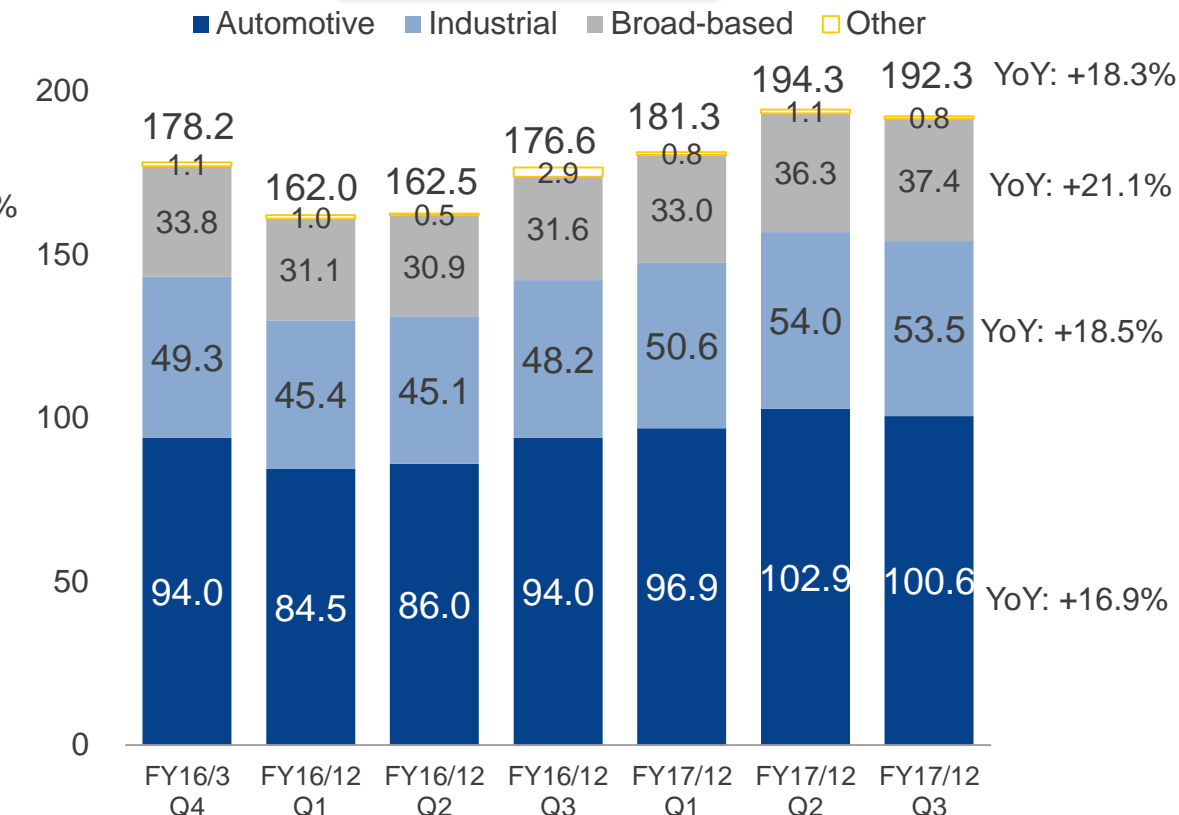
(B yen)

Actual basis



(B yen)

Pro-forma basis\*2

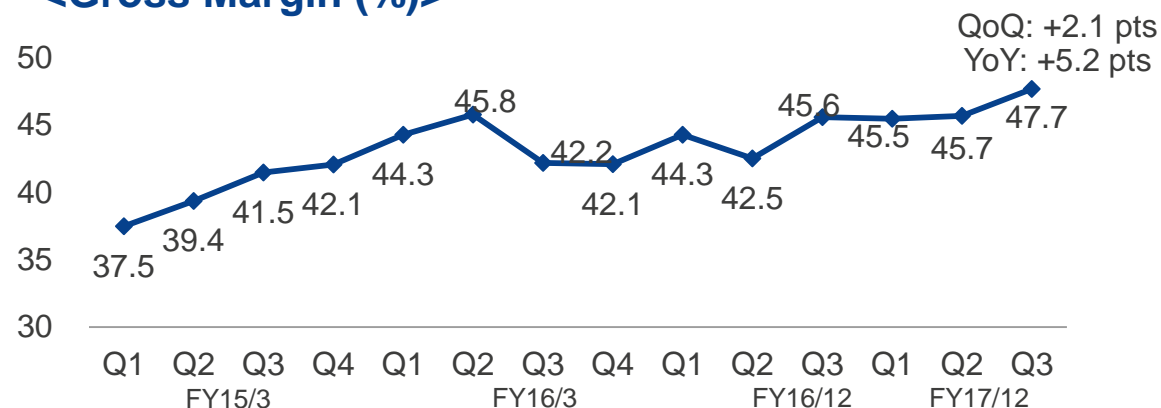


\*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering and PPA (purchase price allocation) effects following the Intersil acquisition. (Reference: The impact on the operating income from the inventory buildup in Q3 FY2017 was negative 0.3 B yen.)

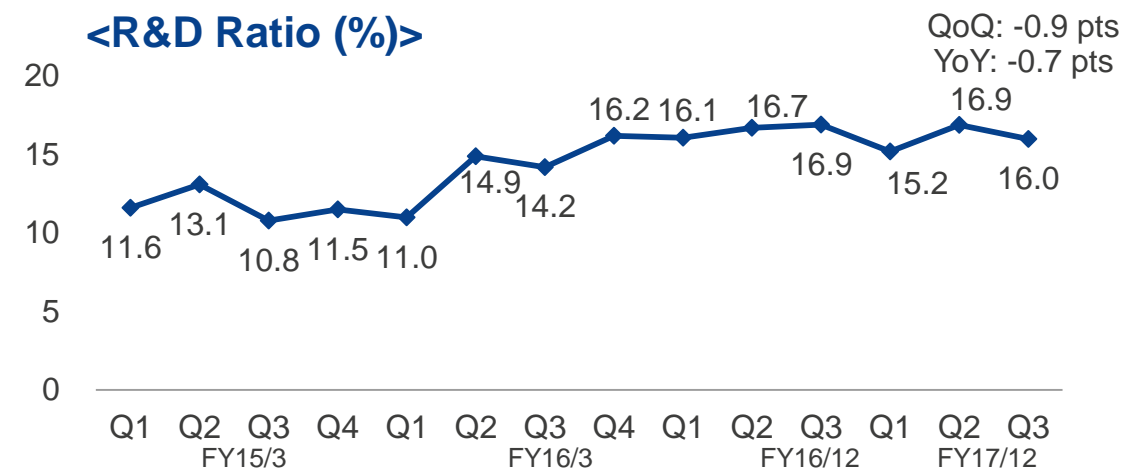
\*2: Renesas Net Sales including Intersil's historical revenue prior to the close of the acquisition on February 24, 2017

# GROSS MARGIN, OPERATING MARGIN AND OPEX TRAJECTORY (NON-GAAP BASIS\*1)

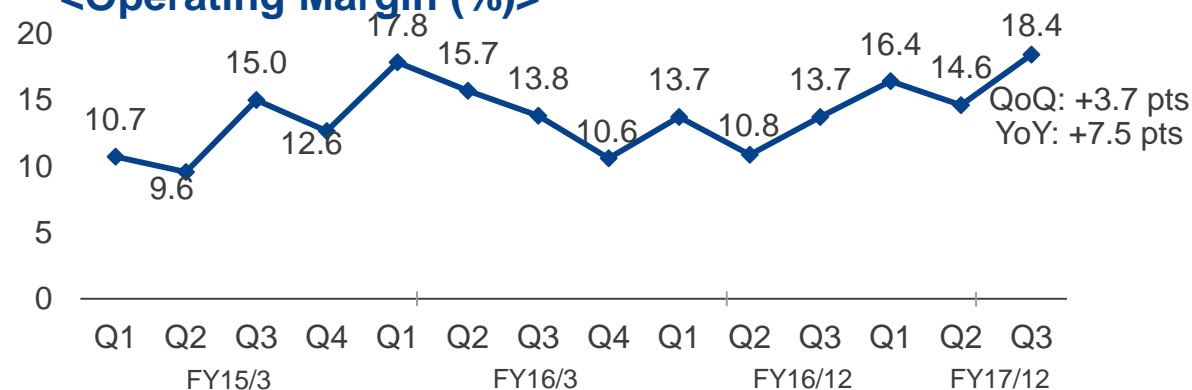
## <Gross Margin (%)>



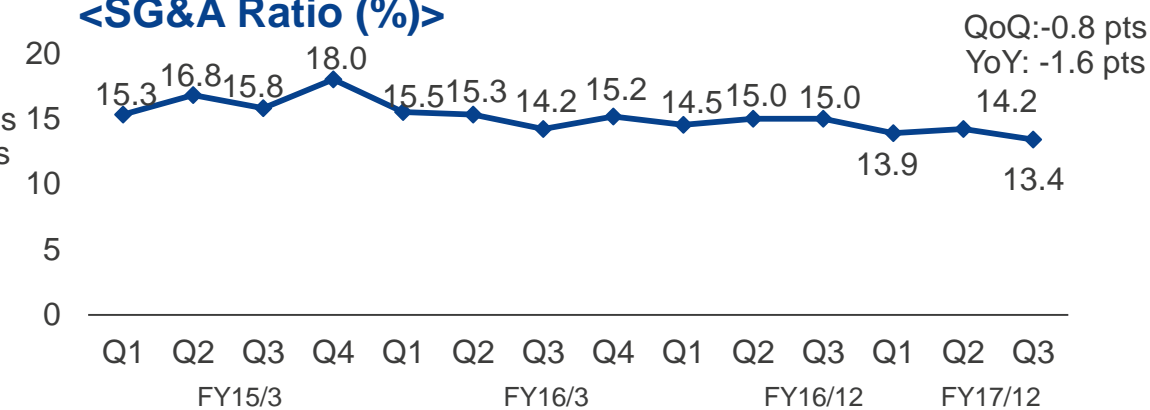
## <R&D Ratio (%)>



## <Operating Margin (%)>



## <SG&A Ratio (%)>



\*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering and PPA (purchase price allocation) effects following the Intersil acquisition. (Reference: The impact on the operating income from the inventory buildup in Q3 FY2017 was negative 0.3 B yen.)

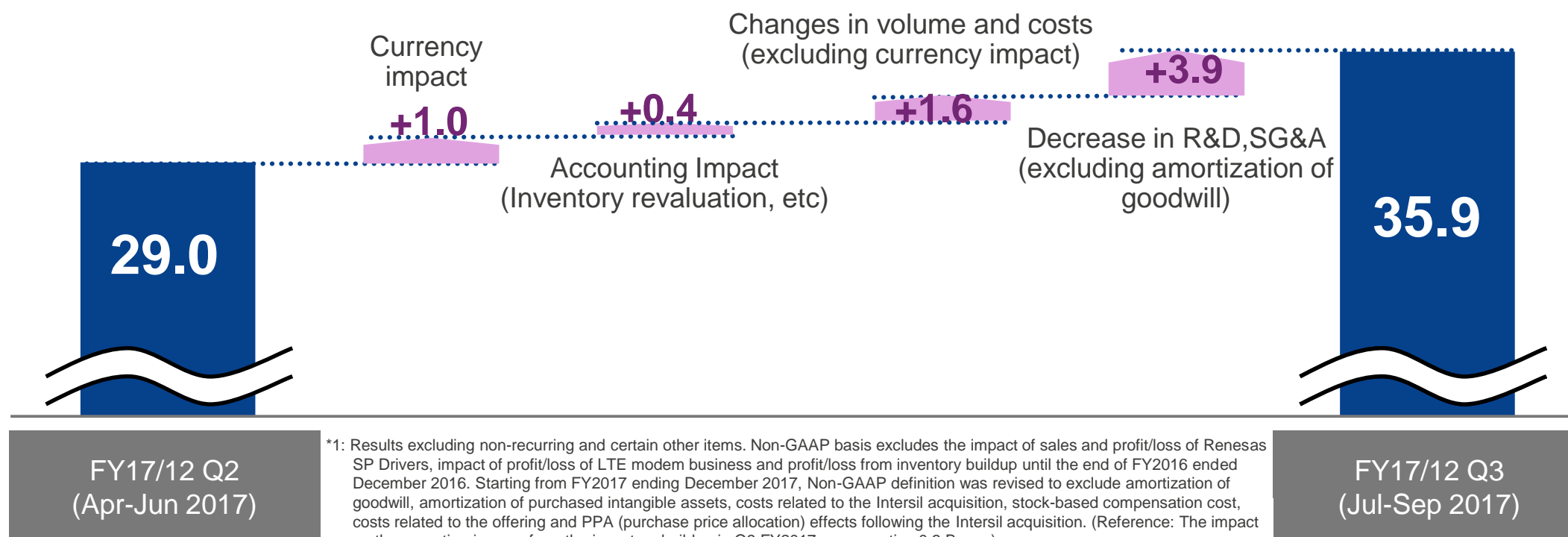
# FY17/12 Q3 OPERATING INCOME

(NON-GAAP BASIS\*1)

**QoQ**

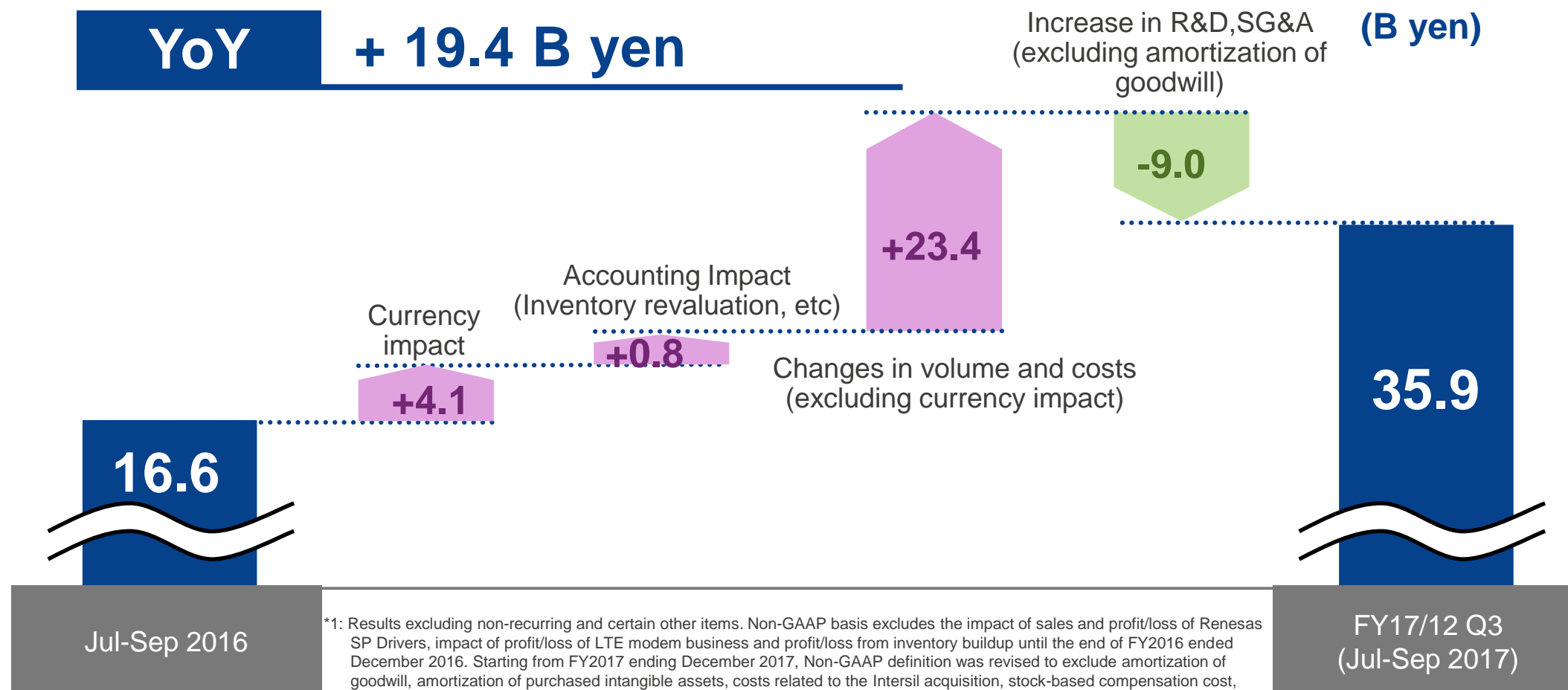
**+6.9 B yen**

(B yen)



# FY17/12 Q3 OPERATING INCOME

(NON-GAAP BASIS\*1)



\*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering and PPA (purchase price allocation) effects following the Intersil acquisition. (Reference: The impact on the operating income from the inventory buildup in Q3 FY2017 was negative 0.3 B yen.)

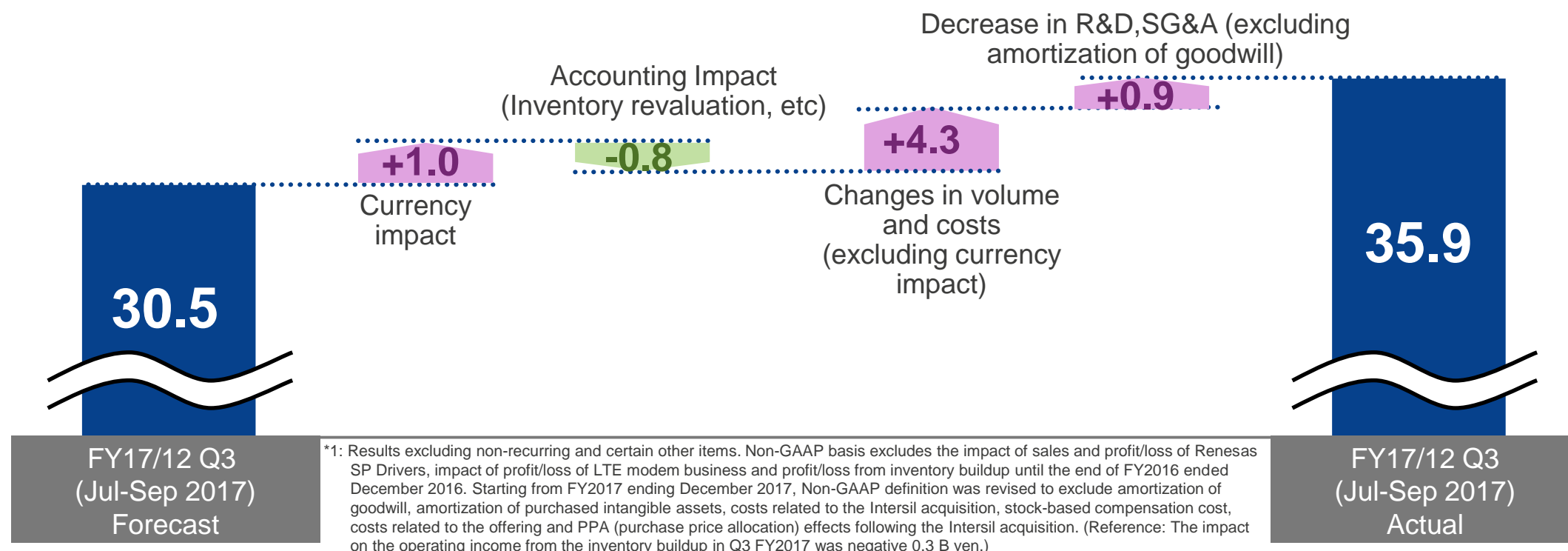
# FY17/12 Q3 OPERATING INCOME

(NON-GAAP BASIS\*1)

vs FCT

+5.4 B yen

(B yen)





# FY17/12 FULL-YEAR FINANCIAL FORECASTS

## (NON-GAAP BASIS\*1)

YoY and QoQ forecasts of the Net Sales and Semiconductor Sales are rounded off to one decimal place.

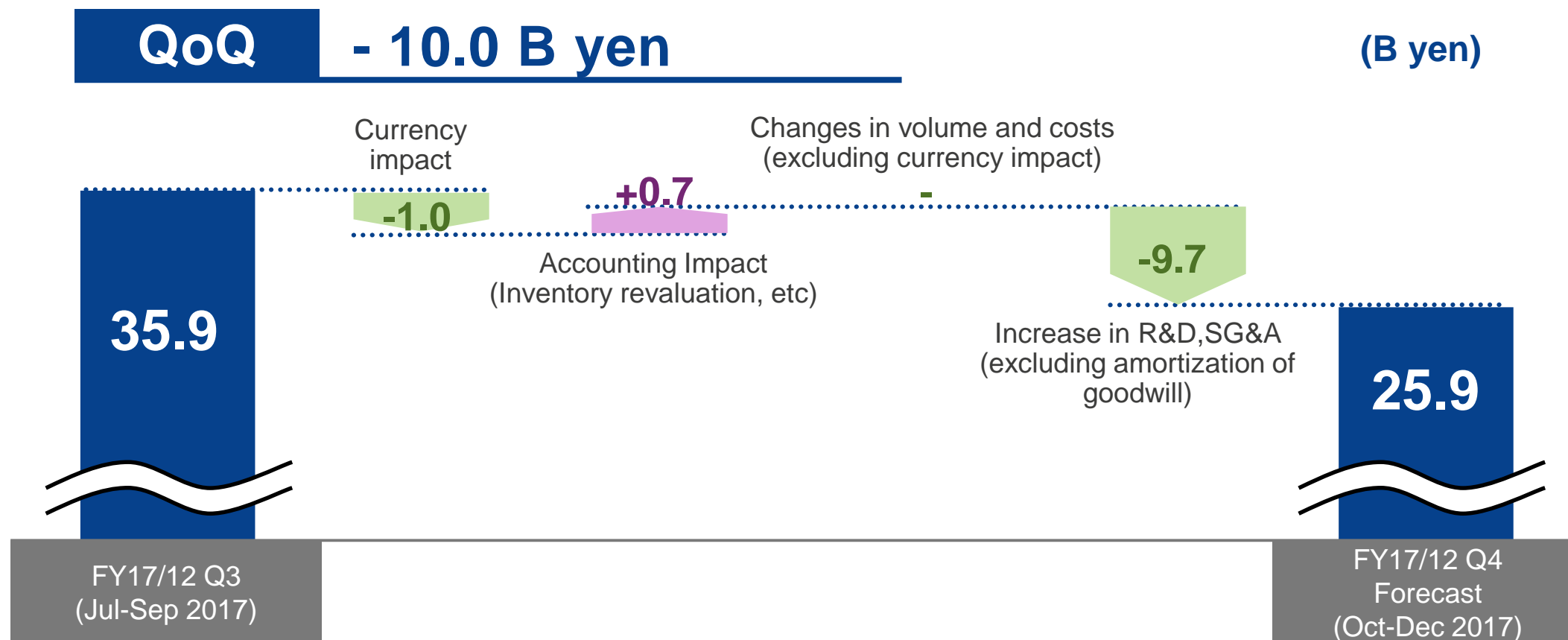
(B yen)	CY16		CY17 (FY17/12)					
	Oct-Dec	12 Months Cumulative (Jan-Dec)	Q3 (Jul-Sep)	Q4 Forecast (Oct-Dec)	YoY	QoQ	12 Months Cumulative Forecast (Oct-Dec)	YoY
Net Sales	166.4	638.8	195.5	200.9	+20.7%	+2.8%	772.2	+20.9%
Semiconductor Sales	161.4	620.4	192.3	197.6	+22.4%	+2.8%	756.7	+22.0%
Gross Margin	45.6%	43.6%	47.7%	46.3%	+0.7pts	-1.5pts	46.3%	+2.7pts
Operating Income (Margin)	22.8 (13.7%)	78.0 (12.2%)	35.9 (18.4%)	25.9 (12.9%)	+3.1 (-0.8pts)	-10.0 (-5.5pts)	120.0 (15.5%)	+41.9 (+3.3pts)
Net Income Attributable to Shareholders of Parent Company	25.9	62.0	32.7	23.9	-2.0	-8.8	117.5	+55.5
EBITDA*2	38.6	138.8	55.0	46.9	+8.3	-8.1	195.5	+56.7
1 US\$=	105 yen	109 yen	111 yen	110 yen	5 yen depreciation	1 yen appreciation	111円	2 yen depreciation
1 Euro=	115 yen	121 yen	130 yen	125 yen	10 yen depreciation	5 yen appreciation	125円	3 yen depreciation

\*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering and PPA (purchase price allocation) effects following the Intersil acquisition. (Reference: The impact on the operating income from the inventory buildup in Q4 FY2017 is expected to be 0.4 B yen.)

\*2: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses

# FY17/12 Q4 OPERATING INCOME FORECAST

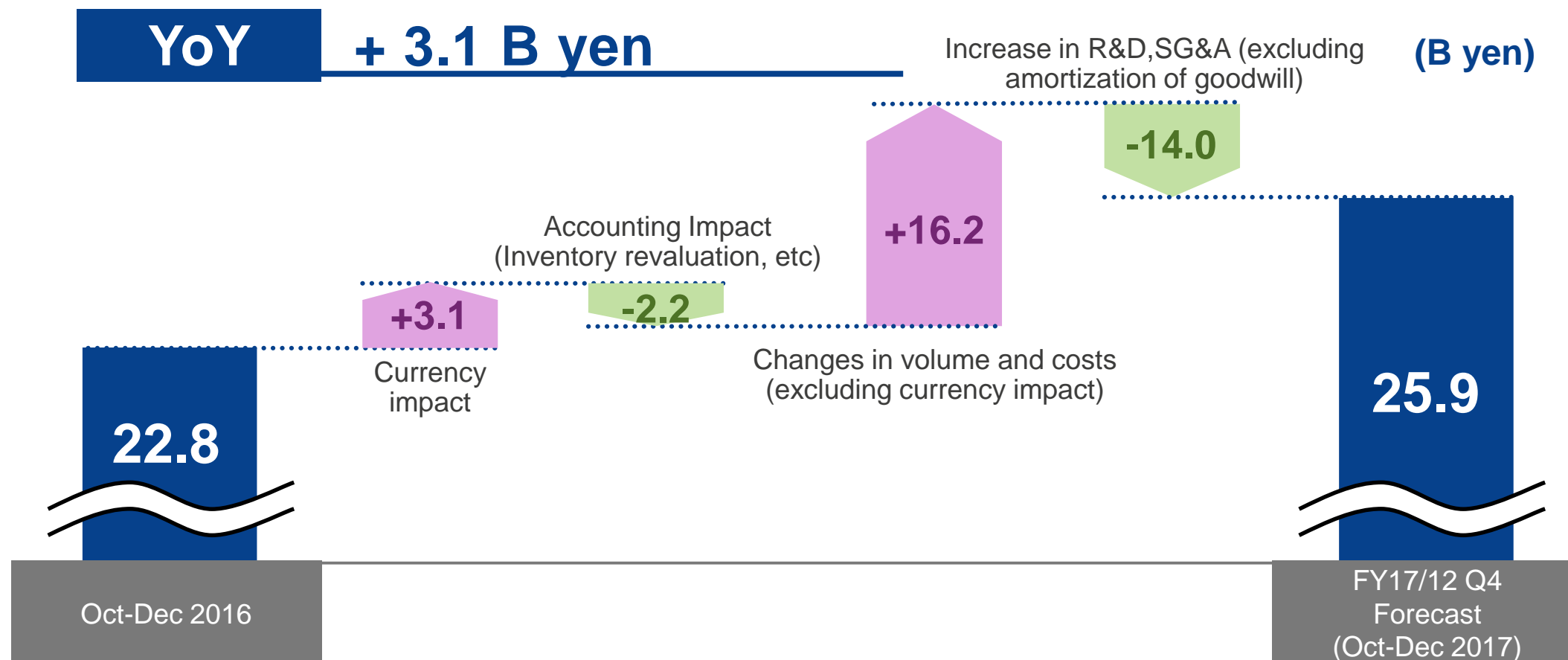
(NON-GAAP BASIS\*1)



\*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering and PPA (purchase price allocation) effects following the Intersil acquisition. (Reference: The impact on the operating income from the inventory buildup in Q4 FY2017 is expected to be 0.4 B yen.)

# FY17/12 Q4 OPERATING INCOME FORECAST

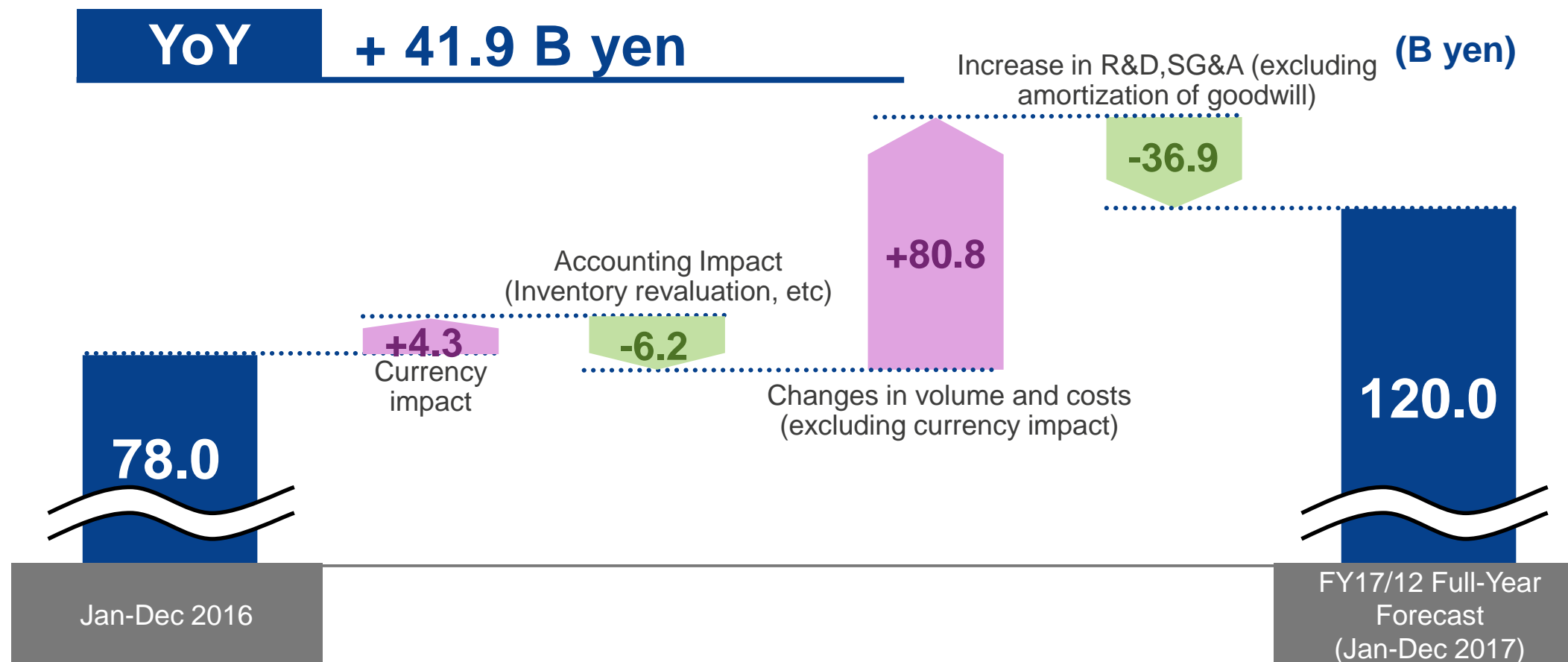
(NON-GAAP BASIS\*1)



\*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering and PPA (purchase price allocation) effects following the Intersil acquisition. (Reference: The impact on the operating income from the inventory buildup in Q4 FY2017 is expected to be 0.4 B yen.)

# FY17/12 FULL-YEAR OPERATING INCOME FORECAST

(NON-GAAP BASIS\*1)



\*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering and PPA (purchase price allocation) effects following the Intersil acquisition. (Reference: The impact on the operating income from the inventory buildup in Q4 FY2017 is expected to be 0.4 B yen.)

# GAAP BASIS INFORMATION

The figures in this section are mainly based on GAAP (Generally Accepted Accounting Principles) stated on a financial reporting basis and are provided as additional information.

# FORMER GAAP/NON-GAAP RECONCILIATION (UNTIL FY16/12)

(B Yen)	FY15/3				FY16/3				FY16/12		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Semiconductor Sales (GAAP) ①	201.2	199.6	177.4	175.1	174.5	177.0	160.9	163.2	147.5	148.3	161.4
Renesas SP Drivers*1 ②	-17.6	-21.0	-	-	-	-	-	-	-	-	-
Semiconductor Sales (Non-GAAP*2) ①+②	183.6	178.6	177.4	175.1	174.5	177.0	160.9	163.2	147.5	148.3	161.4
Gross Profit (GAAP) ①	80.5	81.6	78.6	78.1	79.8	85.5	71.8	68.5	65.1	62.9	74.7
Renesas SP Drivers ②	-6.0	-6.4	-	-	-	-	-	-	-	-	-
Inventory Buildup*3 ③	-2.6	-1.7	-1.7	-1.4	-0.4	-2.3	-2.3	+2.1	+2.3	+2.0	+1.2
Gross Profit (Non-GAAP) ①+②+③	71.9	73.5	76.9	76.7	79.4	83.2	69.5	70.6	67.4	64.9	75.9
Operating Income (GAAP) ①	27.0	23.5	29.5	24.4	32.4	30.7	25.0	15.7	18.6	14.6	21.6
Renesas SP Drivers ②	-3.9	-4.0	-	-	-	-	-	-	-	-	-
Inventory Buildup ③	-2.6	-1.7	-1.7	-1.4	-0.4	-2.3	-2.3	+2.1	+2.3	+2.0	+1.2
Operating Income (Non-GAAP) ①+②+③	20.5	17.9	27.8	23.0	32.0	28.4	22.7	17.8	20.9	16.6	22.8
R&D (Renesas SP Drivers)	1.8	1.9	-	-	-	-	-	-	-	-	-
SG&A (Renesas SP Drivers)	0.3	0.5	-	-	-	-	-	-	-	-	-

\*1: Sales and operating income (loss) of the former Renesas SP Drivers, which was transferred on October 1, 2014

\*2: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering. (Reference: The impact on the operating income from the inventory buildup in Q2 FY2017 was 0 yen.)

\*3: Amount of income (loss) from inventory buildup of the EOL products resulting from the realignment of the factories

# FY17/12 Q3 FINANCIAL SNAPSHOT

YoY and QoQ results as well as the changes from Jul 28 FCT of the Net Sales and Semi Sales are rounded off to one decimal place.

(B yen)	CY16		CY17 (FY17/12)							
	Jul-Sep	9 Months Cumulative	Apr-Jun*1 (Q2)	Jul-Sep (Q3) Forecast	Jul-Sep (Q3) Actual	YoY	QoQ	Change from Jul 28 FCT	9 Months Cumulative*1 Actual	YoY
Net Sales	152.6	472.4	197.3	195.2	195.5	+28.1%	-0.9%	+0.1%	570.1	+20.7%
Semi Sales	148.3	459.1	193.5	191.9	192.3	+29.6%	-0.6%	+0.2%	557.9	+21.5%
Gross Margin	41.2%	41.6%	41.5%	45.5%	47.5%	+6.3pts	+6.1pts	+2.0pts	44.3%	+2.7pts
Operating Income (Margin)	14.6 (9.5%)	48.8 (10.3%)	9.3 (4.7%)	20.7 (10.6%)	24.9 (12.7%)	+10.3 (+3.2pts)	+15.6 (+8.0pts)	+4.1 (+2.1pts)	56.3 (9.9%)	+7.4 (-0.5pts)
Net Income Attributable to Shareholders of Parent Company	9.4	29.7	18.8	16.0	22.3	+12.9	+3.5	+6.4	58.3	+28.6
EBITDA*2	29.5	93.8	38.0	48.8	54.1	+24.6	+16.1	+5.3	134.6	+40.8
1 US\$=	104 yen	111 yen	111 yen	110 yen	111 yen	7 yen depreciation	-	1 yen depreciation	112 yen	1 yen depreciation
1 Euro=	116 yen	123 yen	122 yen	125 yen	130 yen	15 yen depreciation	8 yen depreciation	5 yen depreciation	125 yen	1 yen depreciation

\*1: The allocation of the acquisition costs for the business combinations with Intersil Corporation, which Renesas acquired on February 24, 2017, has been revised at the end of the third quarter ended September 2017. The revised allocation of the acquisition costs are reflected in the figures of FY2017/12.

\*2: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses + Amortization of goodwill

# BALANCE SHEETS<sup>\*1</sup>

(B Yen)	As of Sep. 30, 2016	As of Dec. 31, 2016	As of Mar. 31, 2017	As of Jun. 30, 2017	As of Sep 30, 2017
Total Assets	758.2	823.1	995.5	1,015.6	1,020.6
Cash and Cash Equivalents <sup>*2</sup>	326.2	354.3	101.0	126.6	124.4
Inventories	92.1	97.3	113.9	109.0	120.6
Liabilities	376.2	400.7	565.6	564.2	541.3
Interest-Bearing Debt <sup>*3</sup>	157.9	157.3	252.7	249.8	232.1
Shareholders' Equity	383.5	408.3	425.3	444.2	466.6
Net Assets	382.0	422.4	429.9	451.4	479.4
D/E Ratio (Gross) <sup>*4</sup>	0.42	0.37	0.59	0.56	0.49
D/E Ratio (Net) <sup>*5</sup>	-0.44	-0.47	0.35	0.27	0.23
Equity <sup>*6</sup> Ratio	50.1%	51.0%	43.0%	44.2%	46.7%

\*1: Both the figures as of Mar.31, 2017 and as of Jun.30, 2017 have been revised due to the allocation of acquisition costs.

\*2: Sum of Cash and deposits and Short-term investment securities minus the Time deposits with maturities of more than three months and Securities with maturities of more than three months

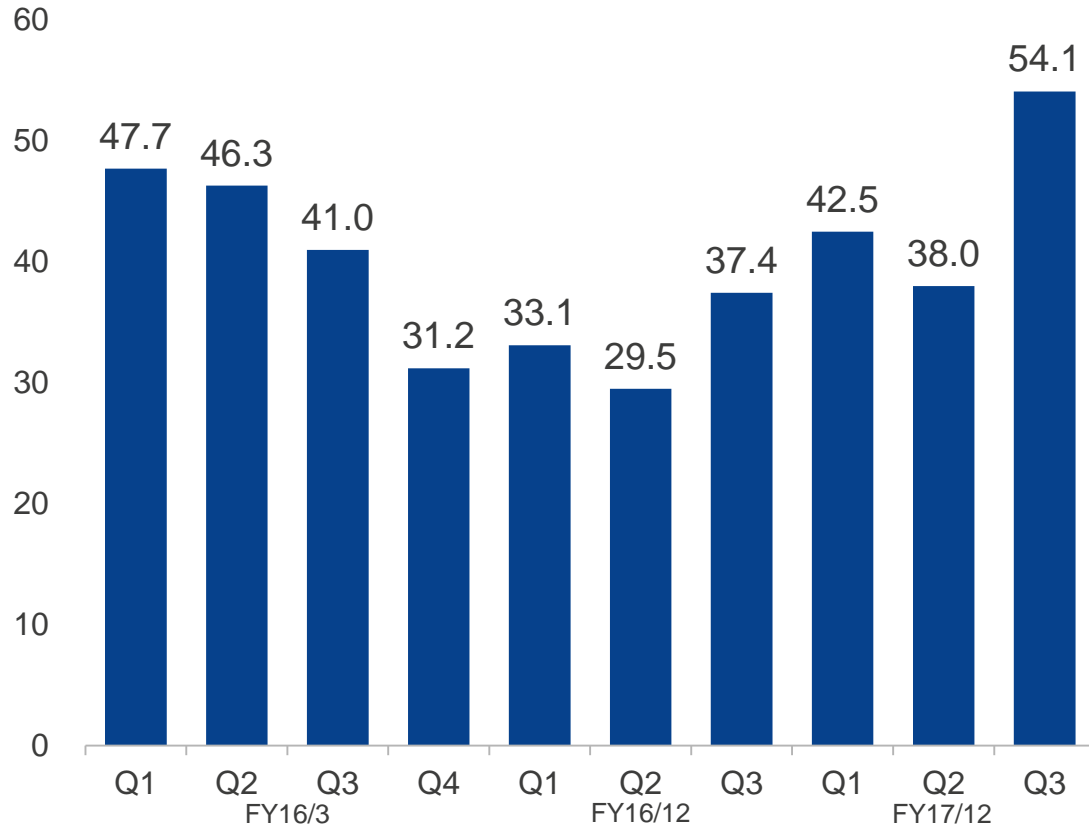
\*3: Short-term borrowings + Current portion of long-term borrowings + Lease obligations + Long-term borrowings

\*4: Interest-Bearing Debt / Equity    \*5: (Interest-Bearing Debt - Cash and Cash Equivalents) / Equity    \*6: Shareholders' Equity + Other Comprehensive Income

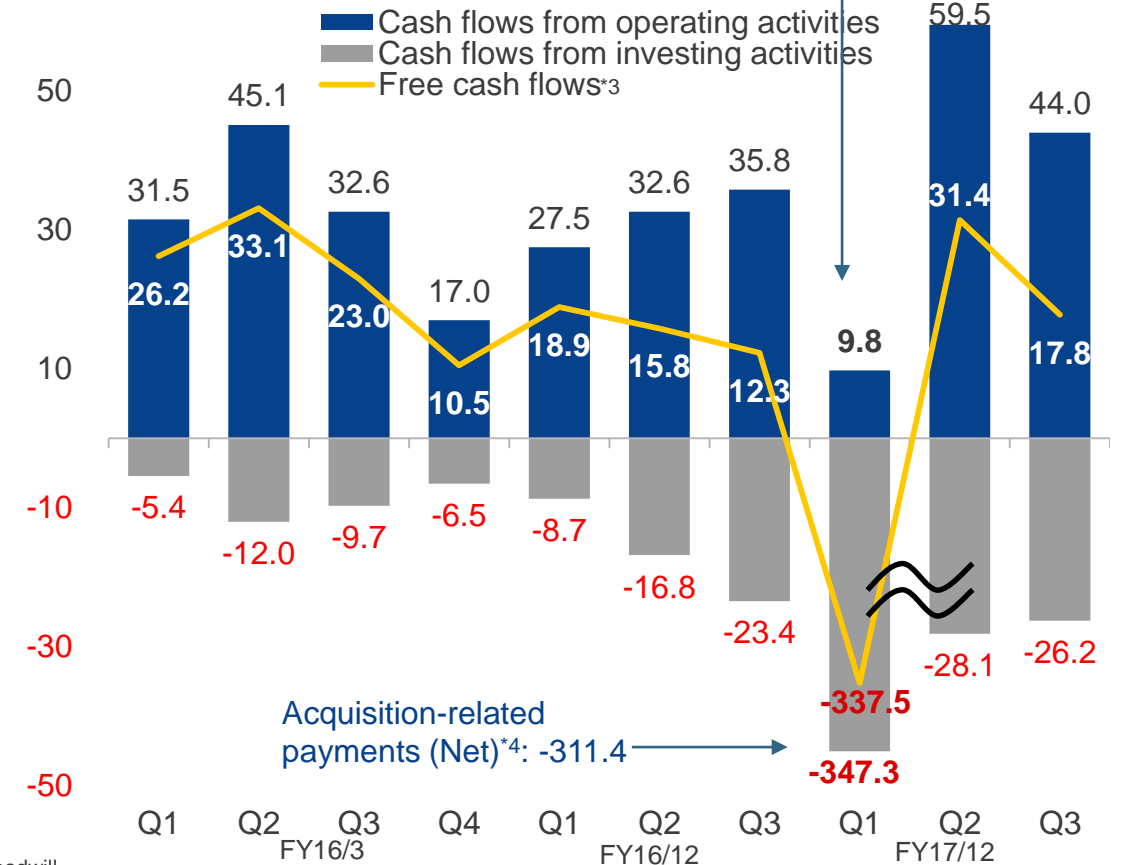


# EBITDA\*<sup>1</sup> AND CASH FLOWS\*<sup>2</sup>

## <EBITDA (B yen)>



## <Cash Flows (B yen)>



\*1: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses + Amortization of goodwill

\*2: The allocation of the acquisition costs for the business combinations with Intersil Corporation, which Renesas acquired on February 24, 2017, has been revised at the end of the third quarter ended September 2017. The revised allocation of the acquisition costs are reflected in the figures of FY2017/12.

\*3: Cash flows from operating activities + Cash flows from investing activities

\*4: Sum of payments for purchase of Intersil stocks and Intersil's cash and deposits as of Feb 24, 2017

# FY17/12 FULL-YEAR FINANCIAL FORECASTS

YoY and QoQ forecasts of the Net Sales and Semiconductor Sales are rounded off to one decimal place

(B yen)	CY16		CY17 (FY17/12)					
	Oct-Dec	12 Months Cumulative (Jan-Dec)	Q3 (Jul-Sep)	Q4 Forecast (Oct-Dec)	YoY	QoQ	Full-year Forecast (Jan-Dec)	YoY
Net Sales	166.4	638.8	195.5	200.9	+20.7%	+2.8%	771.0	+20.7%
Semi Sales	161.4	620.4	192.3	197.6	+22.4%	+2.8%	755.5	+21.8%
Gross Margin	44.9%	42.4%	47.5%	46.0%	+1.2pts	-1.5pts	44.7%	+2.3pts
Operating Income (Margin)	21.6 (13.0%)	70.4 (11.0%)	24.9 (12.7%)	14.7 (7.3%)	-6.9 (-5.6pts)	-10.1 (-5.4pts)	71.0 (9.2%)	+0.6 (-1.8pts)
Net Income Attributable to Shareholders of Parent Company	24.7	54.4	22.3	12.7	-12.0	-9.6	71.0	+16.6
EBITDA <sup>*2</sup>	37.4	131.2	54.1	45.9	+8.5	-8.2	180.5	+49.3
1 US\$=	105 yen	109 yen	111 yen	110 yen	5 yen depreciation	1 yen appreciation	111 yen	2 yen depreciation
1 Euro=	115 yen	121 yen	130 yen	125 yen	10 yen depreciation	5 yen appreciation	125 yen	3 yen depreciation

\*1: The allocation of the acquisition costs for the business combinations with Intersil Corporation, which Renesas acquired on February 24, 2017, has been revised at the end of the third quarter ended September 2017. The revised allocation of the acquisition costs are reflected in the figures of FY2017/12.

\*2: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses + Amortization of goodwill

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## BIG IDEAS FOR EVERY SPACE

### (FORWARD-LOOKING STATEMENTS)

The statements in this presentation with respect to the plans, strategies and forecasts of Renesas Electronics and its consolidated subsidiaries (collectively “we”) are forward-looking statements involving risks and uncertainties. Such forward-looking statements do not represent any guarantee by management of future performance. In many cases, but not all, we use such words as “aim,” “anticipate,” “believe,” “continue,” “endeavor,” “estimate,” “expect,” “initiative,” “intend,” “may,” “plan,” “potential,” “probability,” “project,” “risk,” “seek,” “should,” “strive,” “target,” “will” and similar expressions to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements discuss future expectations, identify strategies, contain projections of our results of operations or financial condition, or state other forward-looking information based on our current expectations, assumptions, estimates and projections about our business and industry, our future business strategies and the environment in which we will operate in the future. Known and unknown risks, uncertainties and other factors could cause our actual results, performance or achievements to differ materially from those contained or implied in any forward-looking statement, including, but not limited to: general economic conditions in our markets, which are primarily Japan, North America, Asia and Europe; demand for, and competitive pricing pressure on, our products and services in the marketplace; our ability to continue to win acceptance of its products and services in these highly competitive markets; and movements in currency exchange rates, particularly the rate between the yen and the U.S. dollar. Among other factors, a worsening of the world economy, a worsening of financial conditions in the world markets, and a deterioration in the domestic and overseas stock markets, would cause actual results to differ from the projected results forecast.

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